

House Engrossed Senate Bill

State of Arizona  
Senate  
Forty-seventh Legislature  
First Regular Session  
2005

CHAPTER 82

# SENATE BILL 1017

AN ACT

AMENDING SECTION 38-612, ARIZONA REVISED STATUTES; RELATING TO THE DEPARTMENT  
OF ADMINISTRATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 38-612, Arizona Revised Statutes, is amended to  
3 read:

4 38-612. Administration of payroll salary deductions

5 A. There shall be no payroll salary deductions from the compensation  
6 of state officers or employees except as specifically authorized by federal  
7 law or regulation or by a statute of this state. No administrative agency of  
8 this state may authorize any other deduction.

9 B. In addition to those payroll salary deductions required by federal  
10 law or regulation or by statute, state officers or employees may authorize  
11 deductions to be made from their salaries or wages for the payment of:

12 1. Premiums on any health benefits, disability plans or group life  
13 plans provided for by statute and any existing insurance programs already  
14 provided by payroll deduction.

15 2. Shares or obligations to any state or federally chartered credit  
16 union established primarily for the purpose of serving state OFFICERS AND  
17 employees and their families.

18 3. Dues in a recognized association comprised principally of employees  
19 and former employees of agencies of this state, subject to the following  
20 criteria:

21 (a) When comprised of at least one thousand state employees other than  
22 employees of the state universities, the department of public safety and  
23 academic personnel of the Arizona state schools for the deaf and the blind.

24 (b) When comprised of at least twenty-five per cent of the academic  
25 personnel or of the nonacademic employees of any state university.

26 (c) When comprised of at least twenty-five per cent of the academic  
27 personnel of the Arizona state schools for the deaf and the blind.

28 (d) When comprised of at least five hundred state employees who are  
29 certified as peace officers by the Arizona peace officer standards and  
30 training board established by section 41-1821.

31 4. Deferred compensation or tax sheltered annuity salary reductions  
32 when made under approved plans.

33 5. Federal savings bond plans.

34 6. Recurrent fees, charges or other payments payable to a state agency  
35 under a collection plan approved by the director of the department of  
36 administration.

37 7. Contributions made to a charitable organization:

38 (a) Organized and operated exclusively for charitable purposes and  
39 selected by the presidents of the state universities. Employees of the state  
40 universities shall be advised by form of the charitable organizations to  
41 which they may contribute through payroll salary deductions. The advisory  
42 provided under this subdivision shall be substantially similar to the  
43 following and prominently printed:

1 "You may contribute to any charitable organization registered under  
2 internal revenue code section 501(c)(3), tax exempt status.

3  
4 Charitable organization name"

5 This subdivision applies only to academic personnel and nonacademic  
6 employees of the state universities.

7 (b) Organized and operated exclusively for charitable purposes,  
8 provided a fund drive by such an organization shall be applicable to all  
9 state agencies except the state universities covered under subdivision (a) of  
10 this paragraph and no state officer or employee of state agencies subject to  
11 this subdivision may authorize more than one deduction for charitable  
12 purposes to be in effect at the same time. This subdivision applies to all  
13 state agencies except the universities covered under subdivision (a) of this  
14 paragraph.

15 8. Contributions made for the purpose of contributing to a fund  
16 raising campaign for a university or a club for faculty or staff, or both,  
17 which is recognized by the university president and authorized by the Arizona  
18 board of regents. This paragraph applies only to academic personnel and  
19 nonacademic employees of the state universities.

20 9. Charges payable for transportation expenses pursuant to section  
21 41-786.

22 10. Payments ordered by courts of competent jurisdiction within this  
23 state.

24 11. Automobile or homeowner's insurance premiums.

25 12. PREMIUMS FOR THE FOLLOWING STATE SPONSORED GROUP BENEFITS THAT ARE  
26 ESTABLISHED PRIMARILY FOR THE PURPOSE OF SERVING STATE OFFICERS AND EMPLOYEES  
27 AND THEIR FAMILIES:

28 (a) LONG-TERM CARE INSURANCE.

29 (b) CRITICAL CARE INSURANCE.

30 (c) PREPAID LEGAL SERVICES.

31 (d) IDENTITY THEFT PROTECTION SERVICES.

32 13. A COMPUTER SYSTEM AS DEFINED IN SECTION 13-2301 FOR PERSONAL USE.

33 C. In order for the department of administration to establish and  
34 maintain a dues deduction pursuant to subsection B, paragraph 3 of this  
35 section, the department of administration ~~shall have the capacity and~~  
36 ~~capability to~~ MAY establish and maintain the deduction without the  
37 appropriation of any additional monies or technological improvements. The  
38 department of administration shall track all personnel hours dedicated to  
39 dues deduction. The department of administration may charge a fee to a  
40 recognized association that qualifies under subsection B, paragraph 3 of this  
41 section for establishing the automatic dues deduction and ~~any time~~ ANYTIME  
42 changes are needed in the automatic dues deduction system as a result of an  
43 increase or decrease in association dues. If the membership criteria of a  
44 recognized association falls below the criteria set forth in subsection B,  
45 paragraph 3 of this section, the recognized association shall be on probation

1 for one year. If the membership of a recognized association falls below the  
2 criteria set forth in subsection B, paragraph 3 of this section for more than  
3 one year, or if the members of the association engage in a work slowdown or  
4 work stoppage, the dues deduction authorized by this section shall  
5 immediately be discontinued.

6 D. For those state officers and employees under payroll systems which  
7 are under the direction of the director of the department of administration,  
8 the director shall provide for the administration of payroll deductions for  
9 the purposes set forth in this section. For all other state officers and  
10 employees and for persons receiving allowances or benefits under other state  
11 payroll and retirement systems, the appropriate state officer shall provide  
12 for such administration of payroll deductions. Such administration shall  
13 operate without cost or contribution from the state other than the incidental  
14 expense of making the deductions and remittances to the payees. If any payee  
15 requests additional services, the director of the department of  
16 administration or any other appropriate state officer may require payment for  
17 the additional cost of providing such services.

18 E. As a means of readily identifying the employee from whom payroll  
19 deductions are to be made, the state officer administering payroll deductions  
20 may request an employee to enter such employee's social security  
21 identification number on the payroll deduction authorization. Such number  
22 shall not be used for any other purpose.

23 F. The state, the director of the department of administration or any  
24 other appropriate state officer shall be relieved of any liability to  
25 employees authorizing deductions or organizations receiving deductions that  
26 may result from authorizations pursuant to this section.

APPROVED BY THE GOVERNOR APRIL 18, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 18, 2005.

Passed the House April 4, 2005,

by the following vote: 43 Ayes,

11 Nays, 6 Not Voting

[Signature]  
Speaker of the House

[Signature]  
Chief Clerk of the House

Passed the Senate January 25, 2005,

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

       day of       , 20  ,

at        o'clock        M.

        
Secretary to the Governor

Approved this        day of

      , 20  ,

at        o'clock        M.

        
Governor of Arizona

S.B. 1017

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this        day of       , 20  ,

at        o'clock        M.

        
Secretary of State

SENATE CONCURS IN HOUSE AMENDMENTS  
AND FINAL PASSAGE

Passed the Senate April 12, 2005,

by the following vote: 28 Ayes,

2 Nays, 0 Not Voting

Ken Flenett  
President of the Senate  
Charmen Bellington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

12th day of April, 2005.

at 4:20 o'clock P. M.

Winnifer Harris  
Secretary to the Governor

Approved this 18 day of

April, 2005,

at 1:40 o'clock P. M.

J. R. Rye  
Governor of Arizona

S.B. 1017

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 18 day of April, 2005,

at 4:12 o'clock P. M.

Janice K. Brewer  
Secretary of State